

# House Study Bill 320

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SHOMSHOR)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to qualifications for licensure as a real estate  
2 broker or salesperson upon conviction of specified offenses.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2936YC 82  
5 rn/es/88

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1 1 Section 1. Section 543B.15, subsection 3, Code 2007, is  
1 2 amended by striking the subsection and inserting in lieu  
1 3 thereof the following:  
1 4 3. a. An applicant for a real estate broker's or  
1 5 salesperson's license who has been convicted of an indictable  
1 6 offense shall not be considered for licensure until the  
1 7 following time periods have elapsed following completion of  
1 8 any applicable period of incarceration, or payment of a fine  
1 9 or fulfillment of any other type of sentence:  
1 10 (1) For an offense which is classified as a serious or  
1 11 aggravated misdemeanor, one year.  
1 12 (2) For an offense which is classified as a felony, two  
1 13 years.  
1 14 (3) Notwithstanding subparagraphs (1) and (2), for  
1 15 offenses including or involving forgery, embezzlement,  
1 16 obtaining money under false pretenses, theft, arson,  
1 17 extortion, conspiracy to defraud, or other offense involving a  
1 18 criminal breach of fiduciary duty, five years.  
1 19 b. After expiration of the time periods specified in  
1 20 paragraph "a", an application shall be considered by the  
1 21 commission pursuant to subsection 7 and may be denied on the  
1 22 grounds of the conviction. An applicant may request a hearing  
1 23 pursuant to section 543B.19 in the event of a denial.  
1 24 c. For purposes of this section, "convicted" means a  
1 25 guilty plea, deferred judgment from the time of entry of the  
1 26 deferred judgment until the time the defendant is discharged  
1 27 by the court without entry of judgment, or other finding of  
1 28 guilt by a court of competent jurisdiction in this state, or  
1 29 in any other state, territory, or district of the United  
1 30 States, or in any foreign jurisdiction.  
1 31 Sec. 2. Section 543B.15, subsection 6, Code 2007, is  
1 32 amended to read as follows:  
1 33 6. A licensed real estate broker or salesperson shall  
1 34 notify the commission of the licensee's conviction of an  
1 35 offense included in subsection 3 within ~~sixty ten~~ days of the  
2 1 conviction. Notification of a conviction for an offense which  
2 2 is classified as a felony shall result in the immediate  
2 3 suspension of a license pending the outcome of a hearing  
2 4 conducted pursuant to section 543B.35. The failure of the  
2 5 licensee to notify the commission of the conviction within  
2 6 ~~sixty ten~~ days of the date of the conviction is sufficient  
2 7 grounds for revocation of the license.  
2 8 EXPLANATION  
2 9 This bill relates to action taken by the real estate  
2 10 commission in circumstances where an applicant for licensure,  
2 11 or an existing licensee, has been convicted of specified  
2 12 criminal offenses.  
2 13 The bill provides that an applicant for a real estate  
2 14 broker's or salesperson's license who has been convicted of an  
2 15 indictable offense shall not be considered for licensure until  
2 16 specified time periods have elapsed following completion of a  
2 17 sentence. The bill defines "convicted" to refer to a guilty  
2 18 plea, deferred judgment, or other finding of guilt. The time

2 19 periods are one year for a serious or aggravated misdemeanor,  
2 20 two years for a felony, and five years for offenses which  
2 21 include or involve forgery, embezzlement, obtaining money  
2 22 under false pretenses, theft, arson, extortion, conspiracy to  
2 23 defraud, or other criminal breach of fiduciary duty. The bill  
2 24 provides that after these time periods have elapsed, the  
2 25 commission shall consider an application and may deny it based  
2 26 on the conviction. If denied, an applicant may request a  
2 27 hearing pursuant to Code section 543B.19.

2 28 With regard to existing licensees, the bill modifies Code  
2 29 section 543B.15 to require that a licensee notify the  
2 30 commission of a conviction of any of the above-specified  
2 31 offenses within 10 days of the conviction. That Code section  
2 32 currently provides for a 60-day notification period. The bill  
2 33 provides that notification of a conviction for an offense  
2 34 which is classified as a felony will result in the immediate  
2 35 suspension of a license pending the outcome of a revocation  
3 1 hearing conducted pursuant to Code section 543B.35.

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